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Scholar-Tips!

Ways Your Student Can Avoid Scams and Find the Educational Path That is Right for Them

It is their senior year. The football team went to state, the winter formal seemed magical and prom isn't too far off. They have grown up so fast -- is it really possible that they will be heading off to college, too? As difficult as it is to think about college and the future, it is important to consider the options and be wary of the risks. Earning a degree is hard work and takes time and money. However, there are many educational and funding resources for students. It is important to take the time to research all of the options before making this life-changing decision.

Student Loans

Loans are probably the most common way for individuals to make higher education a possibility. They are available from most private lenders, such as banks and credit unions, but federal aid is the most reliable.

The Free Application for Federal Student Aid (FAFSA) is used to award federal aid to prospective and current college students. However, schools also use the FAFSA to determine eligibility for non-federal aid, such as grants and work study programs. For a full list of programs offered, visit the U.S. Department of Education's FAFSA website at <http://www.fafsa.ed.gov/>.

Scholarships requiring you to give bank account information or Social Security numbers in order to "reserve" the chance at a scholarship are scams!

Scholarships

There are thousands of scholarships out there waiting for the right person. It is important, however, to remember that these scholarships do not simply fall into your lap. Many have requirements that students must meet now and in the future. Here are some tips for finding legitimate scholarships:

Where to Find Scholarships – Talk with school guidance counselors, determine what scholarships are offered through prospective schools and academic departments and contact local organizations, such as Rotary clubs and fraternal service organizations. The Career Information System (CIS) is a free program provided by the Idaho State Government. The program matches you with scholarships based on your interests, talents, grades and test scores. The system is updated regularly and is available at most public schools and libraries. For more information about CIS, visit or write to:

Idaho CIS
650 West State Street, Room 301
Boise, ID 83720-0095.

Information about CIS also is available online at <http://www.cis.idaho.gov/>. For more information on scholarship sources and federal aid, call the Federal Citizens Information Center at (888) 878-3256.

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Happy Holidays, and Many Returns To You and Yours

After the shopping for Christmas gifts, Valentine jewelry, and President's Day clearance loveseats comes to an end, the returning of gifts begins. When buying or returning merchandise in Idaho, you should be aware of certain facts.

Myth: You have a three-day right to cancel any purchase.

Fact: The three-day right to cancel exists only for a limited number of consumer transactions. For the most part, it applies to credit or cash transactions of \$25 or more that are initiated through face-to-face contact (like door-to-door sales) and away from the seller's regular place of business. The three-day right to cancel provision does not cover vehicle purchases.

Myth: A store has to give you a refund if you request one.

Fact: As in most states, Idaho does not have laws that specifically regulate refund or return policies. Provided the goods were not misrepresented, each business may set its own return policy. Options include offering customers cash, credit slips, exchanges or no adjustments at all. Damaged merchandise may be handled on a case-by-case basis. Before buying, make sure you know the store's return and refund policies.

Myth: If you order a product and subsequently return it, the business must pay the shipping cost.

Fact: As with return and refund policies, stores have discretion to require you to pay the cost of shipping the merchandise back to the company. Some businesses also require "restocking fees."

To avoid the hassle of returning unwanted purchases, make sure to print and save records of your online transactions, including the product description and price, the online receipt and copies of any email you exchange with the seller. You also should read your credit card statements as you receive them to be on the lookout for unauthorized charges. ♦



HUNGRY FOR MONEY?

Consumers, hoping a small gamble will result in a windfall, send billions of dollars out of the country every year. Later they discover that, not only did they lose their investment, they lost their entire bank account. These financial scams include:

Foreign lottery solicitations from Australia, Canada, Spain and elsewhere telling "winners" to send a money order to a certain address in order to receive their fortune.

Notifications of **cash awards** from international "security firms" or "disbursement offices" that demand payment up-front to cover entry, judging or postage fees; and

Phone calls from people claiming to represent reputable retailers, who want to "reward" loyal customers with **special gift certificates** or cash cards – but only after the consumer pays a delivery fee.

DON'T BITE!

Are you being directed to wire money, provide access to your bank account or credit card numbers or disclose other personal financial information in order to claim a prize? Don't fall for it. This is a scammer's attempt to steal your money.

Legitimate sweepstakes companies do not require you to pay taxes, customs fees, shipping or handling or any other fees before awarding your winnings. Federal law prohibits sweepstakes offers that require you to buy something to enter.

Did you enter the company's sweepstakes? Chances are, you did not!

Read the fine print on any sweepstakes offer or entry form that you receive in the mail. Usually the offer says in big print that you are a winner. However, the small print at the bottom of the page indicates that you have won only IF your entry is selected.

Do not be deceived by seals, official-sounding names or terms that imply affiliation with or endorsement by any government entity. It is illegal for promoters to misrepresent their affiliations.

If you really have won a prize, whether it is a cash card, gift certificate or product, you will not have to pay any redemption fees, postage fees or delivery fees. You also will not have to meet any special requirements or conditions.

Falling for just one lottery, sweepstakes or prize scam opens your door to many more bogus offers. Ignore them!

“AS IS” REALLY IS “AS IS”

Buyer Beware. That Used Vehicle May Be More Than You Bargained For.

A person buys a car from a dealer “as is.” One day after the contract is signed, all the wheels fall off and the engine explodes. Does the dealer have any responsibility to fix the car?

Much to the surprise of some consumers, the answer is “no.” When a dealer sells a motor vehicle “as is” that means the buyer agrees to accept the vehicle in whatever shape it is in.

“But the sales rep said it was in great condition. Doesn’t that imply some kind of warranty?” Take a closer look at the Buyer’s Guide that is displayed on a used car. Next to the box that says “AS IS – NO WARRANTY” is the statement: “YOU WILL PAY ALL COSTS FOR ANY REPAIRS.” Written contracts generally override any oral statements, which are difficult to prove after the fact.

Can you return the car in three days if you change your mind? The answer is again, “no.” There is no cooling off rule in Idaho that applies to motor vehicles. Once the papers are signed, the buyer is responsible for full payment.

What can you do to protect yourself and your investment? Always have your mechanic inspect the vehicle before you decide whether to buy it. If your mechanic gives you the green light, you still should wait at least twenty-four hours before signing any papers. Something that seems like a good deal today may not look so appealing after the initial excitement wears off.

Recent Consumer Protection Settlements

DirecTV: As a part of a December 2005 settlement, DirecTV agreed to pay restitution to consumers who complained that they were charged a fee for not activating their subscription, did not receive local channels as promised or were charged a termination fee for canceling their service before the “free programming offer” ended. Idaho consumers who paid DirecTV fees for any of these reasons may send written refund requests to DirecTV, State Complaint Program, P.O. Box 29079, Glendale, CA 91209-9079. Consumers also may file a complaint form with the Attorney General’s Office. The deadline for submitting complaints is May 11, 2006.

Larry Miller Sundance Dodge: After investigating allegations that Sundance Dodge’s dealer rebate offers violated the Consumer Protection Act, the Attorney General entered into a settlement agreement with the business. As a part of the November 2005 agreement, Sundance Dodge has changed its advertising practices and paid the Attorney General \$1,193.50 for his attorney fees and expenses.

Western Union: In November 2005 Idaho joined 46 other states in an agreement with Western Union that will fund an \$8.1 million national consumer awareness program. The program will provide warnings to help prevent consumers from becoming victims of telemarketing scams. As a result of the agreement, Western Union will educate and provide prominent warnings to consumers who might be convinced to wire money because of a telemarketing scam. ❖

Scholarships *(continued from page 1)*

Scholarship Offers to Avoid – When searching for funds, you should avoid programs requiring bank account or Social Security numbers in order to reserve the opportunity to receive a scholarship. Additionally, be cautious of businesses that claim to do all the work for you or represent that they have exclusive information or access to scholarships. With enough research, students can obtain this information for themselves at no cost.

Scholarship Search Services – These services do not actually give you scholarships. Rather, they provide you with a list of scholarships for which you might be eligible. Many students have found the information purchased from these services is outdated or inaccurate. Always investigate scholarship sources on your own before turning to a search service. If you must hire a search service, first find out the service’s refund policy and whether you have to show “proof of rejection” before receiving a refund.

Online Universities

Online universities and colleges are ideal for those with a busy life style. However there are several scams associated with this type of school. Currently the most common scams involve “diploma mills,” which are web-based businesses that claim to provide legitimate degrees.

Typical warning signs of a diploma mill – no attendance required, no tests or exams, a flat fee for obtaining your degree and advertising through pop-up advertisements or spam emails.

Things to look for – A “brick and mortar” address, meaning a physical location to send mail to, not a post office box, and accreditation and licensing by the state where the school is located. ❖

MEDICARE PART D

On January 1, 2006, all Medicare recipients became eligible for prescription drug coverage through private companies. These private companies, which Medicare first approves, must follow federal guidelines, but have individual policies regarding which drugs they cover, the cost of the drugs and where recipients can purchase the drugs.

Companies began marketing their plans last October. Since then, senior citizens have experienced an increase in telephone and mail solicitations from con-artists posing as legitimate benefit providers. Individuals, who claim they represent a Medicare-approved company often request bank account and Social Security numbers from unsuspecting seniors. With that information, the scammer can steal the victim's money or, even worse, the victim's identity.

Before giving any personal information to someone who may represent an approved prescription drug provider, Medicare recipients need to consider the following:

- Review the *Medicare & You 2006* handbook that all recipients should have received from Medicare;

- Medicare-approved providers may not market their plans through unsolicited email or door-to-door;

- Although approved providers may call Medicare recipients, they cannot call anyone who is listed on the Do-Not-Call Registry;

- Legitimate providers will provide you with written information before requesting any personal or financial information from you. Never give your bank account information or Social Security number to anyone who contacts you over the telephone.

Verify that a provider is Medicare-approved by calling Medicare's toll-free phone number at (800) 633-4227. Information also is available on Medicare's website at www.medicare.gov. ❖

DON'T DISCOUNT YOUR HEALTH CARE

Scams involving discount health care plans and prescription drug cards are increasing. Often, these scams target Idaho's elderly and uninsured consumers who want to save money on health care. Companies claim that if the consumer joins their program and pays a monthly or annual subscription fee, the consumer will save up to 80% on prescriptions, routine doctor check-ups, dental care, eye glasses and other services.

The Idaho Department of Insurance does not regulate discount health care plans or cards. To avoid scams or disappointing benefits, consumers should investigate a company and its plan before signing any paperwork. The following tips will help consumers make informed decisions about whether a certain discount plan is right for them:

- Get a list of the providers that the plan covers and verify that your provider is a member of the plan and offers the advertised discount.

- Find out all of the exclusions and limitations of the plan, including those related to pre-existing conditions.

- Be wary of plans that require you to pay a lot of money (or "a deposit") before receiving any benefits. The fees for most discount cards are fairly low.

- Watch out for companies claiming they are approved by a government agency or well-known organization.

- Read the fine print. Make sure you know the plan's refund policy and whether you must obtain "pre-authorization" before using the plan.

Never provide your personal or financial information over the telephone. If you are interested in an advertised plan, ask the representative to mail you all of the information related to the plan.

AREA CODE 809

IT ISN'T A DISTANT RELATIVE CALLING....

It is six o'clock in the evening and you just got home from work. You begin the usual evening's tasks, one of which is checking your messages. The first message is from your mother, the second is from your child's school and the third is from a person and a place you do not recognize. The message says, "This is Jane. I have important news to share with you. Please call me immediately at 1-809...."

WHAT ARE THEY AFTER?

The "809 scam," sometimes referred to as "area code fraud," is a phone scam designed to get money from you through your long - distance charges. When a consumer responds to the mysterious message, the receiving party attempts to keep the consumer on the line as long as possible, thereby racking up the highest bill. A long distance call to the Caribbean costs about \$4.00 per minute. Although the scam usually does not end up costing more than \$20.00, it is very difficult to get the charges removed because the consumer placed the call.

HOW DO THEY DO IT?

The "809" scam can reach you in several ways (phone, pager or email) and can involve a variety of tricks (a deceased or injured relative, avoiding litigation, prizes or gifts or important news). The area code 809 is in the Dominican Republic. Consumers are tricked into thinking that because the number begins with an 8, it is toll-free. Additionally, the usual codes that apply to international calls do not apply when calling countries located in the Caribbean, United States territories and Canada.

WHAT DO I DO ABOUT IT?

Email has become a great alert system for scams, but it has spawned several rumors. Many people have passed along emails warning of the "809" scam, claiming that it will cost the caller in excess of \$1,000.00. As stated above, it is unlikely that the call will cost more than \$20.00, but it is still important to be cautious. If you receive a message from an unfamiliar area code, take the time to research the source of the call. Several businesses and agencies provide area code searches for free. The North American Numbering Plan Administration (NANPA) provides a searchable list of area codes for the United States, Canada and the Caribbean at www.nanpa.com.

Tidbits

IDAHO CONTRACTORS BOARD

Did You Know...

The Idaho legislature passed a law last year requiring contractors to register with the Idaho Contractor's Board. The following questions and answers will help consumers understand how this new law protects them.

Q: What is the deadline for contractors to register?

A: January 1, 2006.

Q: Does anyone involved with home repairs have to be registered?

A: Contractors must register if they

engage in a construction job that will cost more than \$2,000.00. However, the law includes some exemptions.

Q: What will happen if a contractor does not register, but continues to work?

A: Individuals who do business without registering may face misdemeanor charges, loss of lien rights, loss of the right to obtain a building permit and loss of their contracting rights.

Q: Can a contractor have their registration revoked?

A: Yes. Violation of the Consumer Protection Act or other laws regarding registration, dishonesty and unsatisfactory work are reasons to revoke a contractor's registration.

Q: Who do I contact for more information regarding the Idaho

Contractors Board?

A: The Idaho Bureau of Occupational Licenses at:

1109 Main St., Ste.220
Boise, Idaho 83702-5642
(208) 334-3233
Fax: (208) 334-3945
<http://ibol.idaho.gov/>

Q: Can I file a complaint with the Attorney General's Office if I have a problem with a contractor?

A: Yes. However, we will forward the complaint to the Idaho Bureau of Occupational Licenses for investigation. You also may complain to your local Better Business Bureau.❖



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